Accessions to the Rules-Based Multilateral Trading System: Opportunities and Challenges for Central Asia
Overview

- State of the Global Economy and Necessity for Structural Reforms
- WTO Accessions:
  - Why do countries want to join?
- 20 years of accession results
- State of Play in WTO Accessions in Central Asia
- Opportunities and Challenges
WTO Accessions
Why do countries want to join the WTO?

- Rule of Law – The WTO as a legal framework
  - “Outlaw”
- Market Economy – Assisting market transition
- Domestic Reforms – An instrument for domestic reform and modernisation
- FDI Attraction
- International Cooperation: A seat at the rule-making table
- Risk of Non-Membership: Protectionist targeting
- Territorial Integrity
- Right of DSU Invocation
Overview of WTO Accessions

34 Governments acceded since 1995 via Article XII Negotiations, of which 11 from former USSR

- Albania
- Armenia
- Bulgaria
- Cambodia*
- Cape Verde
- China
- Chinese Taipei
- Croatia
- Ecuador
- Estonia
- Georgia
- Jordan
- Kazakhstan
- Kyrgyz Republic
- Lao PDR*
- Latvia
- Lithuania
- Macedonia, FYR
- Mongolia
- Montenegro
- Moldova
- Nepal*
- Oman
- Panama
- Russian Federation
- Samoa*
- Saudi Arabia
- Tajikistan
- Tonga*
- Ukraine
- Vanuatu*
- Viet Nam
- Yemen*
- Seychelles

Afghanistan and Liberia are expected to become WTO members in June
Length of Accessions

Average: 10 years and 5 months

Source: WTO Secretariat
Governments have acceded via Article XII Negotiations
- 7 acceded as LDCs (Cabo Verde and Samoa graduated afterwards);
  plus,
- 2 LDCs – Afghanistan and Liberia – are in process of domestic ratification.

“Article XII Members” are 21% of WTO Membership
- Average length: 9 years and 11 months
- 1547 accession-specific legal obligations (including AFG and LBR).
- Real market access expansion in goods and services:
  - 549 bilateral agreements on goods (including AFG and LBR); and
  - 269 bilateral agreements on services (including AFG and LBR).
Accession Results
Coverage: 98% of World Trade

2014

Article XII Members
17.5%

Rest of the World
82.5%
Evolution of World Trade in nominal value by membership status
Accession Results: Trade Growth

Trade, average annual growth rate

Source: WTO Statistics
Accession Results: Tariff Profiles

Tariff barriers to trade in goods

Source: WTO Statistics
Accession Results: Services Commitments

Average number of services subsectors covered by commitments

Source: WTO Statistics
Accession Results: Strengthening Rules of MTS

36 Sections of Accession-Specific Obligations: Number of commitments of 34 Article XII Members
WTO Accessions: State of Play in Central Asia and its Neighbours
What Remains in WTO Accessions?

19 Accession Working Parties in process

- Algeria
- Andorra
- Azerbaijan
- The Bahamas
- Belarus
- Bhutan*
- Bosnia and Herzegovina
- Comoros*
- Equatorial Guinea*
- Ethiopia*
- Iran
- Iraq
- Lebanese Republic
- Libya
- Sao Tomé & Principe*
- Serbia
- Sudan*
- Syrian Arab Republic
- Uzbekistan

Average time since application: 16.5 years

PLUS: Expression of interest: South Sudan, Somalia, Timor–Leste
WTO Accessions in Central Asia & its Neighbours

- Kazakhstan: 19 years 10 months
- Kyrgyz Republic: 2 years 10 months
- Tajikistan: 11 years 10 months
- Uzbekistan: On going
- Turkmenistan: Not started
- Afghanistan: Accession completed
- Azerbaijan: On going
- Iran: On going
WTO Accessions: Opportunities and Challenges

- Strategic importance of the Region
- Role of the WTO
  - WTO accession for structural reforms, economic diversification and modernization
  - Trade integration in the region
  - Trade facilitation
  - Connectivity
- Challenges
  - The state of global economy
  - Commodity prices
  - Geopolitical tensions
Thank you

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